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FISCAL IMPACT STATEMENT

LS 7136

BILL NUMBER: HB 1461

NOTE PREPARED: Jan 6, 2011

BILL AMENDED:

SUBJECT: Sales Tax on Out-of-State Deliveries.

FIRST AUTHOR: Rep. Heaton

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that a retail merchant who: (1) makes a retail sale to a destination in another state; (2) erroneously remits Sales Tax on the retail sale to the Department of State Revenue; and (3) also remits Sales Tax to the other state for the retail sale; may claim a refund up to six months after remitting the Sales Tax to the other state.

It provides for a review period to allow retail merchants to claim refunds from the Department of State Revenue for double payments of Sales Tax for retail sales fitting the above description made between January 1, 2005, and December 31, 2008.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues: This bill provides a procedure for taxpayers who erroneously remit Sales Tax to Indiana instead of the correct state of sale to receive a refund after they remit Sales Tax to the other state. Under current statute, a taxpayer has three years after payment of the taxes to claim a refund. This bill permanently changes this window to six months *after* the retail merchant makes the remittance of Sales Tax to the state where the retail transaction should have been sourced. It also allows for retroactive refunds to be allowed for a retailer who improperly remitted Sales Taxes to Indiana instead of the state where the transaction was sourced between January 1, 2005, and December 31, 2008. This refund must be filed with the Department of State Revenue by December 31, 2011.

This bill would impact revenue collections by an indeterminable amount, although the amount of refunds is not expected to be significant.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of State Revenue.

Local Agencies Affected:

Information Sources:

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